Message Text

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ORIGIN EB-07

INFO OCT-01 AF-06 IO-11 ISO-00 STR-04 COME-00 FEA-01

AGR-05 CEA-01 CIAE-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 /098 R

DRAFTED BY EB/OT/TA:DGRIMMER:JVM
APPROVED BY EB/OT/TA:WGBARRACLOUGH
STR:LLEE
COMMERCE:DGARDNER
COMMERCE:SMILLER
AF/S:DCHRISTENSEN

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R 280233Z FEB 76 FM SECSTATE WASHDC TO AMEMBASSY PRETORIA INFO USMISSION GENEVA AMCONSUL CAPE TOWN

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CAPE TOWN FOR EMBASSY

E.O. 11652: N/A

TAGS: ETRD, GATT, SA

SUBJECT: GATT ARTICLE XXVIII CONCERNING TRACTORS AND AUTO

PARTS

REFS: (A) GENEVA 3523, JUNE 4, 1974 (B) PRETORIA 4956

 $1. \ \ U.S. \ AGREES \ WITH \ MISSION \ SUGGESTION \ TO \ PRESS \ SAG \ FOR$

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EXPLANATION ON ITS FAILURE TO PLACE TRACTORS AND AUTO

COMPONENTS ON FREE LIST AS REQUIRED UNDER ARTICLE XXVIII AGREEMENT NOTED IN REF A. HOWEVER, IT IS NOT CLEAR FROM REF. B IF SAG REASON FOR FAILING TO DO SO (LACK OF AFTER SALES SERVICE IN TRACTORS CASE AND EXCESSIVE INVENTORIES IN PARTS CASE) IS MERELY AN EXPLANATION OR IS SOMEHOW RELATED TO "NECESSARY DOMESTIC REQUIREMENTS" WHICH CONDITIONED THE PLACING OF THE ITEMS ON THE FREE LIST. SINCE SAG AGREED TO EXPEDITE THESE "REOUIREMENTS." IT APPEARS THAT GOVERNMENTAL ACTION WAS INTENDED. HOWEVER THE ABOVE CITED REASONS RELATE TO CONDITIONS WHICH ONLY THE IMPORTERS CAN MEET. IF UNRELATED TO THE DOMESTIC REQUIREMENTS CLAUSE, THESE CONDITIONS MIGHT VIOLATE ARTICLE III OF THE GATT IF THESE IMPORTS ARE TREATED IN A DISCRIMINATORY FASHION COMPARED TO THE SAME LOCALLY PRODUCED GOODS. ARE PRODUCERS OF LOCALLY PRODUCED OR ASSEMBLED TRACTORS REQUIRED TO HAVE AFTER SALES SERVICE BEFORE SELLING THEM? TO DATE THE USG HAS HAD NO COMPLAINTS ABOUT THE LACK OF FREE ISSUANCE OF SAG LICENSES FOR IMPORTS OF TRACTORS OR AUTO COMPONENTS.

2. WE AGREE WITH EMBASSY SUGGESTION THAT MATTER SHOULD BE PRESSED BY SUBMISSION OF AIDE MEMOIRE OUTLINED IN REF B. TO SAG, PARTICULARLY IN VIEW OF OUR RECENT EXPERIENCE IN SAG ARTICLE XXVIII ON REFRIGERATOR COMPRESSORS IN WHICH WE HAVE BEEN UNABLE TO COME TO AN ACCEPTABLE AGREEMENT. INGERSOLL

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: GENERALIZED PREFERENCES (TARIFFS), PROTECTIVE TARIFFS, TRACTORS, AUTOMOBILES

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Review Authority: morefirh

Review Comment: n/a Review Content Flags: Review Date: 11 MAY 2004

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